irrigation project. It is indeed very sad. Orissa is one of the least irrigated States although a lot of rivers flow through Orissa. Every year Orissa suffers from floods because of these rivers. Does the Government have any plan to help the farmers of Orissa by constructing dams on the Mahanadi so that the floods could be contained and water could be conserved and used for irrigation which will benefit the farmers?

SHRIMATI BOJOYA CHAKRAVARTY: Sir, there is one irrigation project, i.e. Citrapala on the Mahanadi. We have already spent Rs. 150 crores on this project. It is supposed to be completed soon. I will keep in mind the suggestion made by the hon. Member for constructing more dams for the benefit of the farmers.

Reforms in financial sector

*126. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) Whether in view of economic slowdown in the country, the Government have constituted an advisory team to assist them with reforms in the financial sector;

(b) if so, the composition of the advisory team;

(c) Whether the Government have formulated any plans to overcome the economic slowdown in the country; and

(d) If so, the details thereof?

THE FINANCE MINISTER (SHRI YASHWANT SINHA): (a) to (d) A statement is laid on the Table of the House.

Statement

Reforms in financial sector

(a) and (b) The Finance Minister has constituted an Informal Advosory Group on Financial Sector Reforms with a view to seeking suggestions for Financial Sector Reforms in the Short and Medium Term. The composition of the Group is given in the enclosed Statement-I (*See* below).

(c) and (d) The broad strategy for promoting economic growth has been enunciated in the Budget Speech for 2001-02. Various tax reforms measures undertaken in the Budget were, *inter-alia*, designed to promote greater investment and consumption demand for promoting economic growth. The Budget 2001-02 and subsequent measures have also provided emphasis on faster implementation of Central Plan Outlays and completion of projects for key infrastructure sectors and promotion of capital investment in the private sector as well. In its mid-term review of monetary and credit policy, the Reserve Bank of India has taken certain measures aimed at ensuring adequate liquidity to meet credit growth and support revival of investment demand. These included further reduction in Bank Rate from 7 per cent to 6.5 per cent, reduction in and rationalisation of Cash Reserve Ratio for banks, and reduction in the maximum interest rate chargeable on export credit by 1.0 percentage point for a period of six months from September 26, 2001. These measures are designed to stimulate demand in the backdrop of the Budget strategy and are expected to have a favourable impact on growth.

Statement-I

Reforms in financial sector

List of Members of the Informal Advosory Group on Financial Sector Refroms

1. Mr. M.S. Verma, Chairman, TRAI
2. Mr. Deepak Parekh, Chairman, HDFC
3. Mr. K.V. Kamath, Managing Director, ICICI
4. Mr. Ravi Narain, Managing Director, National Stock Exchange
5. Mr. Ravi Mohan, Managing Director, CRISIL
6. Mr. C. Bhave, Managing Director, NSDL
7. Dr. Omkar Goswami, Chief Economist, CII
8. Dr. Rakesh Mohan, Adviser to FM.

SHRI KRISHNA KUMAR BIRLA: Sir, the economic slowdown had started even while the General Budget was being presented

earlier this year. At present, the growth of GDP is 4.40 per cent—the lowest in these three years—and the industrial growth is 2.5 per cent to 3 per cent. The agricultural production, say, of wheat and rice, has improved, but the farmers are unable to dispose of their products. Things are in a bad shape. The economy cannot improve till demand is created, and demand can be created only by a large-scale expenditure on infrastructure. My first supplementary to the hon. Minister is this. What was the Budgeted expenditure on infrastructure and how much against that has been spent?

SHRI YASHWANT SINHA: Sir, as far as the comment of the hon. Member is concerned, I would like to point out that the growth rate of 4.4 per cent in the first quarter of this year was not the lowest in recent years; 3.8 per cent, which was the growth rate of the last quarter of last year, has been one of the lower growth rates in recent years. The growth rate of 4.4 per cent is, actually, an improvement over the 3.8 per cent, on a quarterly basis. Sir, the hon. Member is right in saying that expenditure has to be incurred and because the Government expenditure has a major role to play, the Government expenditure has to be increased. We are taking two steps in this direction. One is, I have requested all my colleagues, especially, those in charge of the infrastructure Ministries that the expenditure budgeted for their Ministries has to be spent as speedily as possible. I have also assured them that if they are able to spend the budgeted amount, then, even taking the risk of an increase in the fiscal deficit. I will be able to provide supplementary allocations to them. The total allocation on infrastructure, in particular, if I am not forgetting the figures, is somewhere around Rs. 60,000 crores in the Budget allocation of this year. And I have the figures for the first six months of the current year; about 40 per cent of that amount has been spent in the current year. I would also like to take the House into confidence and say that we have some very ambitious projects; for instance, in the road sector, we have some very ambitious projects. For rural development, we have launched the Sampoorna Rozgar Yojana for the rural areas. All this is going to contribute to not

only meaningful activity in the rural areas and in the infrastructure sector but it is also going to provide the necessary fillip to demand in order to gear up the economy.

SHRI KRISHNA KUMAR BIRLA: Sir, I am grateful to the hon. Minister for his reply. My information is that for the first two quarters, the growth rate of GDP is going to be 4.75 per cent. Last year, the growth rate was 5.20 per cent; and this year, we will be fortunate in case it touches 5.0 per cent. However, I would say that whenever we hear the hon. Finance Minister, we find that he generates a lot of confidence amongst the people, particularly, amongst the business community. Sir, in spite of that, the economy is not improving. I do appreciate the problems of the Finance Minister. But the economic crisis is confined not just to India, but it is a worldwide phenomenon. I would only say that in view of this, the hon. Finance Minister has to make extraordinary efforts to improve the economy. And, in view of this, my second supplementary is this. What plans has the Finance Minister made to rescue the economy from the present crisis and what exactily is the time-frame?

SHRI YASHWANT SINHA: I am glad that the hon. Member has referred to the global slowdown because when we discuss the slowdown in the Indian economy, we often tend to completely divorce it from the global environment. Sir, IMF has come out with an estimate for the calendar year 2001, and I would like to inform the House that their estimate of the growth of the Indian economy for the calender year 2001 has been put at 4.5 per cent. I am not personally hazarding a guess whether this is wrong or right. we will see when finally we get the figures of growth rates. I would only like to say that the growth rate in the agricultural sector has been a major contributor in our economy, as far as the overall growth rate is concerned, and I am hoping that this year the contribution of agriculture to the growth rate will be better than the previous two years. In the previous two years, the contribution of agriculture to the growth rate of GDP has been 0.7 per cent in 1999-2000. It had come down to 0.2 per cent in 2000-2001. I am hoping that in 2001-2002, agriculture will contribute more to the growth of GDP. But I would like to inform the House that even at 4.5 per cent, even if we

take the figure to be correct, India would be amongst the fastest growing economies of the world. 4.5 per cent will be less than only one country, a major country, and that is China, which is expected to grow at 7.5 per cent.

So, Sir, as far as the question of the hon. Member is concerned, we were aware of the impending slowdown even when I presented the Budget for this year and, therefore, in the Budget we had taken a number of steps to ensure that the economy picked up. Now, a number of other factors have intervened. For instance, in the Budget we reduced the rate of taxes almost across the board. I rationalised the Excise Duties. I removed the surcharge on import tariffs. I removed the surcharge on corporate tax and income-tax, and additionally, Sir, we have brought down the rates of interest. The rates of interest in the economy have become much softer than what they were before, and in the latest monetary policy which the RBI has announced, that softer interest policy has been continued. Now, the bank rate of the RBI is down to 6.5 per cent. CRR has been brought down from 7.5 per cent to around 5.75 per cent. The rate of interest for the banks has been raised from 6 per cent to 6.5 per cent: We have taken a number of other steps also, especially in the wake of the post-September 11 situation and the world view is that, may be, by the middle of the next year things will start improving, and I am hoping that, as a result of our effort, as a result of a better agricultural performance, we will see better growth rates in the last quarter of this financial year and in the ensuring first quarter of the next financial year.

श्री ललितभाई मेहता: सर, आठवीं पंचवर्षीय योजना के दौरान योजना आयोग ने गुजरात में 12 सौ मेगावाट गैस पर आधारित बिजली उत्पादन की रेकमन्डेशन की थी और उसके तहत यह निर्णय लिया गया था कि गुजरात को यह गैस उपलब्ध कराई जाएगी। लेकिन उसके बाद जो परिस्थिति हुई उसमें गुजरात के प्रोजक्ट पीपावाव को गैस देने के बजाए गांधार पावर प्रोजक्ट को, जो सेंट्रल सेक्टर में आता है, उसको गैस दी गई। अब आठ सालों के बाद मंत्री जी ने बताया है कि गैस का उत्पादन बढ़ नहीं रहा है। मेरे पास जो आंकड़े हैं, 1990-1991 से लेकर 1997-98 तक के, उनमें यह बताया गया है कि गैस का उत्पादन बढ़ रहा है। मेरे पास 1997 के बाद के आंकड़े नहीं हैं।

श्री यशवंत सिन्हा: सभापति महोदय, मैंने साफ तौर पर कहा है कि भारत की अर्थ-व्यवस्था में कृषि और उस से जो संबंधित क्षेत्र हैं, उन का योगदान बराबर महत्वपूर्ण रहता है और इस बार भी वह उतना ही महत्वपूर्ण रहेगा। हमने अनुभव के आधार पर देखा है कि जब कृषि के क्षेत्र में उत्पादन बढ़ा है तो जी०डी०पी० का ग्रोथ रेट बढ़ा है। सभापति महोदय, मैं यही बिंदु रख रहा हूं। जहां तक माननीय सदस्य का किसानों की समस्या के संबंध में सवाल है। किसानों की समस्या के बारे में मैं यह कहना चाहूंगा कि जहां तक समर्थन मूल्य का प्रश्न है, चाहे यह कोई भी फसल हो, हर फसल के मामले में इस सरकार ने समर्थन मूल्य लगातार वर्ष-दर-वर्ष बढ़ाया है। उस को बढ़ाने का काम किया है। हम ने फूड कार्पोरेशन ऑफ इंडिया या नाफेड के द्वारा सारे राज्यों में जहां-जहां सरप्लस प्रोडक्शन है, वहां-वहां मार्केट इंटरवेंशन करने का प्रयास किया है। हमने राज्य सरकारों को निमंत्रण दिया है कि राज्य सरकारें स्वयं भी समर्थन मूल्य के आधार पर फसलों की उगाई करें, प्रोक्यूरमेंट करें और हमारा अनुभव है कि जहां-जहां राज्य सरकारों ने इस बारे में पहल की है, वहां किसानों के सामने दिक्कत नहीं आई। इसलिए यह कहना सही नहीं होगा कि किसानों की चिंता इस सरकार ने नहीं की है। मैं यह मानता हूं कि किसानों की जितनी चिंता इस सरकार ने की है, शायद इस के पहले कभी नहीं की होगी।

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO STARRED QUESTIONS

Completion of Bhatinda Oil Refinery

*123. SHRI SUKHDEV SINGH LIBRA:
SARDAR GURCHARAN SINGH TOHRA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the construction work of Bhatinda Oil Refinery in Punjab is going as per schedule;

(b) if not, reasons for the delay together with the cost escalation; and

(c) the status of work at present and by when it is likely to be commissioned?